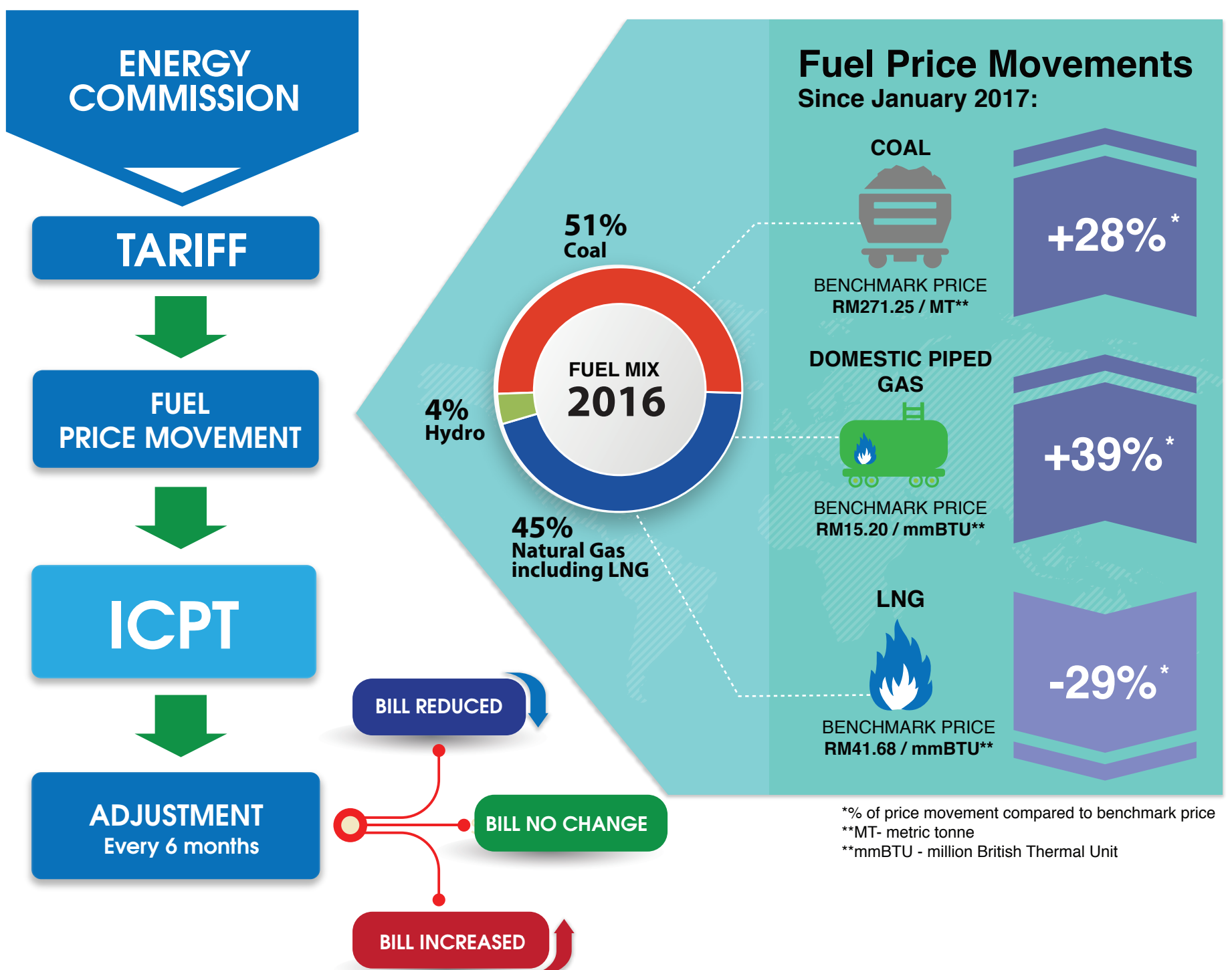


Fuel Price Movements and Impact on Electricity Tariff

Electricity tariff in Peninsular Malaysia is determined by the Government through a globally-accepted used framework called Incentive Based Regulation (IBR). The IBR provides a mechanism called Imbalanced Cost Pass Through (ICPT) which allows adjustment of fuel prices for electricity sector every six months. This will be reflected in our electricity bill where we will pay lower if the fuel price goes down or pay higher if fuel price increases.

Electricity generation depends very much on fossil fuels such as coal, and natural gas including liquefied natural gas (LNG). Since 2015, fuel prices have remained low and this has enabled the savings of RM4.1 billion that have been shared with customers in the form of rebates.

However in the past six months, higher global coal prices and the impact of exchange rate volatility have amplified the increase of coal prices for the energy sector. In addition, the price for domestic piped gas continues to increase every six months in line with the subsidy rationalisation programme.



Benefits of ICPT to customers

- ⚡ Savings from fuel cost reduction amounting to RM4.1 billion is shared with customers in the form of rebates since 2015.
- ⚡ Fair price of electricity.